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TO: MR M A QAYYUM  
MR Q MALIK

OUR REF: RLA/KB/332002

AT: BCCI CAMPAIGN  
COMMITTEE

DATE: 13 AUGUST 2002

FAX NO: 020 7935 6490

PAGES: 7

Dear Mr Qayyum and Mr Malik

**Distribution Guidelines**

Following the approval of the Distribution Guidelines for The Triangle Loans Trust in the Royal Court in Guernsey on 8 August 2002, please find attached final versions of Guidelines for both The Triangle Loans Trust and The Hexagon Welfare Trust for your files.

Yours sincerely

Hexagon Trust Company (CI) Limited / Rysaffe Trustee Company (CI) Limited

PP Roger Arundale  
Director & Trust Manager

## THE TRIANGLE LOANS TRUST DISTRIBUTION GUIDELINES

These Guidelines were considered at a hearing in the Royal Court in Guernsey on 30 July and 8 August 2002 at which they were approved.

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### A. General Approach.

1. The Trustee will seek to distribute the trust fund, as soon as is practicable to do so, after the Trustee has received final orders from the Royal Court, Guernsey.
2. The Trustee will seek to ensure that the whole of the trust fund is applied to the beneficiaries and that none reverts to the settlors.
3. The Trustee will use its power to take into account the way in which the Trustee of The Hexagon Welfare Trust exercises its powers to achieve a fair distribution of the assets of both trusts.
4. The Trustee will exercise its powers on the basis of such information as it thinks appropriate even though such information may be incomplete and the Trustee may not be able to vouch for its accuracy.
5. The Trustee may retain part of the benefit which it determines should be paid to or in respect of a beneficiary (in accordance with these guidelines) and which it notifies to the beneficiary under paragraph D2 until it is satisfied that such part can be paid without prejudicing the interests of any other beneficiary, including any beneficiary whose identity is ascertained or about whom any information is obtained after the Trustee has determined the beneficiary's level of benefit. No beneficiary shall acquire any right to the retained part of the benefit, notwithstanding that he or she may have been notified of it, unless, and until, the Trustee finally determines that it should be paid.
6. The Trustee will not make any payment to or in respect of a beneficiary until he or she has completed and returned a questionnaire to the satisfaction of the Trustee unless the Trustee decides, in any particular case, to dispense with the requirement for a completed questionnaire.
7. If the Trustee considers that any loan which is claimed by a relevant liquidator of a BCCI company is not, or may not be, recoverable (either in whole or in part) it may reduce the sum which it offers, or pays in respect of such loan, or decline to offer, or pay, any sum at all.
8. The Trustee will not make any payment to or in respect of a beneficiary in respect of any part of a loan which has been discharged by a third party (including pursuant to a social security scheme) unless the Trustee is satisfied that such beneficiary remains liable to reimburse such third party.
9. The Trustee will have regard to whether any loan complied with the relevant loan policy of the BCCI group of companies.
10. The Trustee will give such weight to each of the guidelines as it thinks appropriate.
11. Given that the Trustee's discretion is absolute and unfettered, the Trustee reserves the right not to enter into correspondence about any decisions it might make in accordance with these guidelines.
12. The Trustee will retain a reserve of trust funds considered sufficient to allow deferred distribution to former employees qualifying to benefit but as yet not identified or who have not yet claimed to be potential beneficiaries. *for new loan*
13. The Trustee intends to make a first distribution, as soon as practicable after receiving the approval of the Court for the Guidelines, before 31 December 2002, and a second and final distribution before 30 June 2003 if practicable to do so. Such distributions will be made to identified potential beneficiaries who have made a claim for benefit which has been received by a date to be announced by the Trustee.

## THE TRIANGLE LOANS TRUST DISTRIBUTION GUIDELINES

These Guidelines were considered at a hearing in the Royal Court in Guernsey on 30 July and 8 August 2002 at which they were approved.

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### B. Identification of beneficiaries and gathering of information.

1. The Trustee will have regard, in particular, to information made available to it from the following sources for the purpose of identifying beneficiaries and any information about them:
  - (a) Liquidators, administrators, receivers and trustees of companies within the BCCI group of companies and holders of equivalent offices in any relevant jurisdiction;
  - (b) the BCCI Campaign Committee;
  - (c) the BCCI Staff Representatives Group;
  - (d) the BCCI Wives' Association;
  - (e) the BCC Ex-Employees Association;
  - (f) the BCC Overseas Staff Committee;
  - (g) such other interested parties and interest groups as may make representations to the Trustee;
  - (h) replies to questionnaires sent out by the Trustee;
  - (i) responses to any advertisements placed by the Trustee;
  - (j) the Trustee of The Hexagon Welfare Trust.
2. In construing the definition of personal representatives under clause 4 of The Triangle Deed the Trustee will treat as a personal representative of a deceased employee not only a formally appointed executor, administrator or similar office but any heir or similar of a deceased state that may in fact be entitled to the benefit and/or obliged to accept the burden of the estate. The Trustees will seek such evidence as they think necessary by way of grants, order or otherwise to satisfy themselves by convincing evidence that the person claiming to stand in the shoes of the deceased employee can give a valid receipt for any benefit that the deceased employee may have been entitled to under the Deed.

### C. Criteria for Calculation.

1. The Trustee will have regard to each beneficiary's length of service and remuneration whilst employed by any member of the BCCI Group (which includes those companies referred to in clause 1.1(c) of the Triangle Deed) and whether the beneficiary was re-employed by way of acquisition of his or her employing company or branch by another as a result of Liquidation processes. Where such information is unavailable or incomplete, the Trustee will have regard to such information as it believes appropriate, including information about other beneficiaries.
2. The Trustee will apply ceilings to the benefits payable to individuals respectively under:
  - Clause 4.1 of the Triangle Deed
  - Clause 4.2 of the Triangle Deed
  - Clauses 4.1 and 4.2 of the Triangle Deed together
3. The Trustee will give such consideration to and take such action as it considers appropriate in respect of any proposal that it should use any moneys held by it under clause 4.1 of the Triangle Deed to purchase all or any of the loans referred to in clause 4.1(c) of the Triangle Deed.
4. The Trustee will deal with that part of the Trust Fund referred to in clause 4.2 of the Triangle Deed as follows: -
  - 4.1 The Trustee will calculate the Total Sum Available for distribution in US Dollars by taking into account:
    - (a) The original sum of \$15 million
    - (b) Interest earned and anticipated
    - (c) Costs and expenses incurred and anticipated

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4.2 The Trustee will notionally divide the Total Sum Available into two parts, with the two parts then being used respectively:

(i) to benefit Employees who have lost the benefit of interest subsidies which would have been paid by any BCCI company referred to in Schedule I, Part I to the Triangle Deed, except for financial difficulties in the BCCI group, upon loans from third parties and to benefit employees who have on or after 1st June 1990 made any payment to third party lenders in respect of loans which would have been subsidised by BCCI companies except for financial difficulties in the BCCI Group;

(ii) to benefit Employees who have on or after 1st June 1990 made any payment to BCCI companies in respect of Staff Loans.

4.3 For the purpose of making the notional division referred to in 4.2 above, the Total Sum Available will be divided in the same ratio as:

(i) a capitalised value of the aggregate amount of subsidy paid in 1990 by BCCI companies in respect of loans to Employees by third party lenders

(ii) the aggregate of capital and interest paid on or after 1<sup>st</sup> June 1990 to BCCI companies in respect of Staff Loans

with the Trustee exercising its discretion to estimate those respective aggregate sums if the information available to it is incomplete.

4.4 (i) Where relevant information is available and can be verified to the Trustee's satisfaction at a cost which the Trustee considers reasonable, the Trustee will seek to distribute the funds referred to in 4.2(ii) above taking into account the amount of payments of principal or interest made by the Employee on or after 1st June 1990 in respect of his or her Staff Loan.

(ii) Where information relevant under 4.4(i) is not available or cannot be verified to the Trustee's satisfaction at a cost which the Trustee considers reasonable by a date to be fixed within six months of the approval of the proposed Guidelines by the Court, the Trustee will at its discretion decide whether any and if so what payment is made to the Employee.

### D. Method of Payment

1. In the event that the Trustee considers it appropriate to purchase any loan or loans by way of assignment, as referred to in clause 4.1(c) of the Triangle Deed and C3 of these Guidelines, the arrangements for the transfer of funds will override Guidelines D2 and D3 in the case of the assigned loan or loans.

2. The Trustee will notify each beneficiary in writing of the benefit which it has determined should be paid to or in respect of him or her and the amount if any which it has determined should be retained by it. The Trustee will pay the unretained part referred to in paragraph A5 to the beneficiary or to the relevant liquidator, as the case may be, upon being satisfied that paragraph 2 of Schedule II to the Triangle Deed (requirement for beneficiary to execute deed of release or confirmation from liquidator that no such deed is required) has been complied with and that the beneficiary is not excluded from benefiting by virtue of paragraph 3 of Schedule II (excluded persons). The Trustee will pay the retained part referred to in paragraph A5 if, and when, it is satisfied that such part can be paid. No payment will be made to or in respect of any beneficiary who fails to return a properly completed deed of release to the Trustee within 120 days after the draft deed is posted by the Trustee, except where at the discretion of the Trustee such payment may be made after 120 days.

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3. The Trustee will pay benefits in US dollars. The Trustee will pay the benefits arising under clause 4.1 of the Triangle Deed to either the relevant liquidator or, where the liquidator agrees in writing, direct to the beneficiary, or in the context of clause 4.1(c) to the Person or Persons to whom Staff Loans are owed.
4. The Trustee will pay the benefits arising under clause 4.2 of the Triangle Deed direct to the beneficiary by US Dollar drafts drawn on a US bank sent by registered post to beneficiary's last known address.
5. For the purpose of making payments to Listed Liquidators as per Schedule 1 Part 2, the Trustee will have regard to any Branch Participation Agreements that exists between BCCI Group Company Head offices and branches or to any Pooling Agreement that exists between one BCCI Group Company and another or any other formal arrangement that would allow benefit to be paid to a Listed Liquidator in respect of debt to any BCCI Company in Schedule 1 Part 1.
6. The Trustee will, where practicable, seek to make payment in the manner which leads to the least amount of tax being paid by the beneficiary.



## **THE HEXAGON WELFARE TRUST DISTRIBUTION GUIDELINES**

These Guidelines were considered at a hearing in the Grand Court in Grand Cayman on 20 May 1999 at which the Court confirmed that they were within the powers of the Trustee of The Hexagon Welfare Trust.

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### **A. General Approach.**

1. The Trustee will seek to distribute the trust fund quickly, and, if it is practicable to do so, within 5 years from 17th September 1996.
2. The Trustee will seek to ensure that the whole of the trust fund is applied to the beneficiaries and that none reverts to the settlors.
3. The Trustee will use its power to take into account the way in which the Trustee of the Triangle Loans Trust exercises its powers to achieve a fair distribution of the assets of both trusts.
4. The Trustee will exercise its powers on the basis of such information as it thinks appropriate even though such information may be incomplete and the Trustee may not be able to vouch for its accuracy.
5. The Trustee may retain part of the benefit which it determines should be paid to a beneficiary (in accordance with these guidelines) and which it notifies to the beneficiary under paragraph D1 until it is satisfied that such part can be paid without prejudicing the interests of any other beneficiary, including any beneficiary whose identity is ascertained or about whom any information is obtained after the Trustee has determined the beneficiary's level of benefit. No beneficiary shall acquire any right to the retained part of the benefit, notwithstanding that he or she may have been notified of it unless, and until, the Trustee finally determines that it should be paid.
6. The Trustee will not make any payment to a beneficiary until he or she has completed and returned a questionnaire completed to the satisfaction of the Trustee or unless the Trustee decides, in any particular case, to dispense with the requirement for a completed questionnaire.
7. The Trustee will give such weight to each of the guidelines as it thinks appropriate.
8. Given that the Trustee's discretion is absolute and unfettered, the Trustee reserves the right not to enter into correspondence about any decisions it might make.

### **B. Identification of beneficiaries and gathering of information.**

1. The Trustee will have regard, in particular, to information made available to it from the following sources for the purpose of identifying beneficiaries and obtaining information about them:
  - (a) Liquidators, administrators, receivers and trustees of companies within the BCCI group of companies and holders of equivalent offices in any relevant jurisdiction;
  - (b) the BCCI Campaign Committee;
  - (c) the BCCI Staff Representatives Group;
  - (d) the BCCI Wives' Association.
  - (e) the BCCI Ex-Employees Association;
  - (f) the BCCI Overseas Staff Committee;
  - (g) such other interested parties and interest groups as may make representations to the Trustee;
  - (h) replies to questionnaires sent out by the Trustee;
  - (i) responses to any advertisements placed by the Trustee;
  - (j) the Trustee of the Triangle Loans Trust.

## **THE HEXAGON WELFARE TRUST DISTRIBUTION GUIDELINES**

These Guidelines were considered at a hearing in the Grand Court in Grand Cayman on 20 May 1999 at which the Court confirmed that they were within the powers of the Trustee of The Hexagon Welfare Trust.

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### **C. Criteria for Calculation.**

1. The Trustee will seek to give priority to those beneficiaries who have suffered financial loss as a result of losing their jobs with members of the BCCI group of companies because of the financial difficulties of the group.
2. The Trustee will have regard to each beneficiary's length of service and remuneration whilst employed by a member of the BCCI group of companies. Where such information is unavailable or incomplete, the Trustee will estimate length of service and remuneration by reference to such information as it thinks fit, including information about other beneficiaries.
3. The Trustee will have regard to any benefit which the beneficiary has received or may receive under the Triangle Loans Trust.
4. The Trustee will have regard, in particular to any of the following liabilities which the beneficiary may have incurred:
  - (a) a "Staff Loan" as that term is defined in the Declaration of Trust dated 17 September 1996 by which the Triangle Loans Trust was established;
  - (b) a subsidised interest loan of the kind referred to in clause 4.2(a) of the said Declaration of Trust;
  - (c) a loan from a member of the BCCI group of companies which is not repayable under the Triangle Loans Trust and is still outstanding and repayable to the Liquidator of such a company.
5. Where the beneficiary was not employed by a member of the BCCI group of companies, the Trustee will have regard to the above criteria as they apply to the employee through whom such beneficiary is claiming.

### **D. Method of Payment.**

1. The Trustee will notify each beneficiary in writing of the benefit which it has determined should be paid to him or her and the amount (if any) which it has determined should be retained by it. The Trustee will pay the unretained part referred to in paragraph A5 to the beneficiary upon being satisfied that paragraphs 5.1 and 5.2 of Schedule I to the Hexagon Deed (requirement for beneficiary to execute deed of release or confirmation from liquidator that no such deed is required) have been complied with and that the beneficiary is not excluded from benefiting by virtue of paragraph 6 (excluded persons). The Trustee will pay the retained part referred to in paragraph A5 if, and when, it is satisfied that such part can be paid. Unless the liquidator has confirmed that such a deed is not required, no payment will be made to any beneficiary who fails to return a properly completed deed of release to the Trustee within 120 days after the draft deed is posted to the beneficiary by the Trustee.
2. The Trustee will pay benefits in US dollars by direct transfer into the beneficiary's bank account where the necessary information is available, and by cheque sent by registered post to the beneficiary's last known address where it is not.
3. The Trustee will, where practicable, seek to make a payment in the manner which leads to the least amount of tax being paid by the beneficiary.